

Message Text

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21

ACTION OES-06

INFO OCT-01 ARA-06 NEA-10 IO-13 ISO-00 FEA-01 ACDA-07

CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07 NRC-05

DODE-00 PM-04 H-02 PA-01 PRS-01 SP-02 SS-15 USIA-06

/102 W

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P R 241951Z SEP 76

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC PRIORITY 4187

INFO ERDA HQ WASHDC

ERDA HQ GERMANTOWN

US MISSION IAEA VIENNA 0135

AMEMBASSY TEL AVIV

AMEMBASSY CAIRO

AMEMBASSY BRASILIA

C O N F I D E N T I A L RIO DE JANEIRO 3630

DEPT PASS IO/SCT

FROM IAEA DEL

E.O. 11652: GDS

TAGS : IAEA AORG OCON

SUBJECT : IAEA 20TH GENERAL CONFERENCE - MEETING WITH ISRAELIS
ON STATUS PROPOSED NUCLEAR AGREEMENT FOR COOPERATION

1. KRATZER AND SLAWSON MET WITH EILAM, DIRECTOR GENERAL, AND
TARI, DIRECTOR, EXTERNAL AFFAIRS, ISRAELI AEC, ON SEPTEMBER 23,
DURING COURSE IAEA GENERAL CONFERENCE, TO BRIEF THEM ON STATUS
OF PROPOSED US-ISRAELI AGREEMENT FOR COOPERATION.

2. KRATZER OUTLINED US STATUTORY PROCEDURES FOR REVIEW OF PROPOSED
AGREEMENT, NOTING THAT ERDA ADMINISTRATOR HAD SUBMITTED AGREEMENT
TO THE WHITE HOUSE AND THAT REVIEW WAS CONTINUING AS TO WHETHER
TO RECOMMEND TO THE PRESIDENT WHEN TO SUBMIT AGREEMENT TO THE
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CONGRESS FOR 60 DAYS REVIEW. HE REVIEWED CURRENT FACTORS

AFFECTING DECISION AS TO TIMING OF SUBMISSION OF AGREEMENT TO CONGRESS.

3. HE POINTED OUT THAT SINCE SENATE SCHEDULED TO ADJOURN ON OCTOBER 2, WITH ONLY VERY REMOTE POSSIBILITY CONGRESS WOULD RECONVENE THIS YEAR, IT VIRTUALLY IMPOSSIBLE TO COMPLETE REQUIRED 60-DAY CONGRESSIONAL REVIEW PERIOD IF ISRAELI (AND EGYPTIAN) AGREEMENT SUBMITTED TO CONGRESS NOW. IF SUBMITTED NOW, AND 60-DAY REVIEW PERIOD NOT COMPLETED, AGREEMENT WOULD HAVE TO BE RE-SUBMITTED DURING NEXT SESSION OF CONGRESS FOR FULL 60-DAY PERIOD.

4. KRATZER ALSO OUTLINED CURRENT CONGRESSIONAL ACTIVITY IN NON-PROLIFERATION AREA, AND GAVE RUNDOWN ON VARIOUS BILLS UNDER CONSIDERATION. HE POINTED OUT THAT THE EFFECT OF SUBMITTING THE AGREEMENTS WHILE CONGRESS WAS IN THE PROCESS OF CONSIDERING LEGISLATION SETTING FORTH NEW EXPORT POLICY GUIDELINES HAD TO BE VERY CAREFULLY WEIGHED. THE POSSIBILITY THAT CONGRESS WOULD REACT NEGATIVELY TO MAJOR NEW AGREEMENTS BEING SUBMITTED AT THIS STAGE WAS AN IMPORTANT FACTOR TO BE CONSIDERED.

5. DURING COURSE OF DESCRIBING BILL SPONSORED BY SENATE FOREIGN RELATIONS COMMITTEE, KRATZER MENTIONED THE PHASE 2 PROVISIONS REQUIRING (1) NPT MEMBERSHIP OR FULL CYCLE SAFEGUARDS, AND (2) FORESWEARING OF NATIONAL REPROCESSING PLANTS OR, IN CASE WHERE SUCH EXISTED, PUTTING THEM UNDER INTERNATIONAL AUSPICES. EILAM REACTED IMMEDIATELY BY SAYING THE CONDITIONS RELATING TO REPROCESSING WOULD NOT BE A PROBLEM, ALTHOUGH THE NPT OR FULL FUEL CYCLE SAFEGUARD REQUIREMENT WOULD BE. IT NOT CLEAR WHETHER EILAM'S REACTION WAS CALCULATED OR NOT, BUT HIS DISMISSAL OF REPROCESSING CONDITION AS A POTENTIAL PROBLEM STRUCK US AS INTERESTING.

6. EILAM SEEMED TO ACCEPT LOGIC OF ARGUMENTS FAVORING CAUTIOUS TACTICAL APPROACH RE TIMING OF SUBMISSION OF AGREEMENTS TO CONGRESS, BUT QUESTIONED KRATZER CLOSELY AS TO POSSIBILITIES FOR TAKING ACTION NOW, AND WHETHER THERE WERE ANY STEPS WHICH GOI SHOULD TAKE TO EXPEDITE MATTERS. HE MENTIONED THAT ISRAEL NEARING DECISION TO SELECT CONTRACTOR AND TO SUBMIT REQUEST TO CONFIDENTIAL

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EXIM BANK FOR FINANCING (HE SAID OVER 60 PERCENT OF APPROXIMATELY \$800 MILLION COST OF PLANT WOULD BE REQUESTED FROM EXIM) AND CLEARLY DISAPPOINTED THAT THERE COULD BE DELAY OF SEVERAL MONTHS BEFORE AGREEMENT COULD COME INTO FORCE, ASSUMING IT SUBMITTED TO CONGRESS.

7. KRATZER ASSURED HIM USG CONTINUED TO STRONGLY SUPPORT AGREEMENT AND DELAY WAS DUE EXCLUSIVELY TO TACTICAL CONSIDERATIONS.

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Margaret P. Grafeld
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